

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF WPX ENERGY
PRODUCTION LLC FOR AN
EXCEPTION TO NMAC 19.15.34.13(C),
RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 15644

2017 FEB 11
RECEIVED
DCCO

APPLICATION

WPX ENERGY PRODUCTION, LLC, ("WPX") through its undersigned attorneys, files this application with the Oil Conservation Division for an order (1) granting an exception to NMAC 19.15.34.13(C); and (2) permitting an extension of the Division District Office's determination of cessation of operations for an additional six months. In support of this application, WPX states as follows:

1. WPX (OGRID 120782) obtained Permit Number 3RF-3 authorizing a Recycling Facility and Recycling Containment ("Facility") located in Section 30, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, on June 4, 2015.

2. Use of the necessary fluid capacity from this Facility for recycling and reuse required by NMAC 19.15.34.13(C) has not been met since March 31, 2016. Accordingly, pursuant to NMAC 19.15.34.13(C), the initial regulatory date for cessation of operations was September 31, 2016.

3. WPX received a six month extension pursuant to NMAC 19.15.34.13(C) from the Division's district office postponing the date of cessation of operations to March 31, 2017.

4. Between September 30, 2016, and March 31, 2017, WPX replaced the bird netting associated with the Facility and is in the process of completing tests to confirm the structural integrity of the Facility for purposes of this hearing.

5. WPX has plans to drill six wells that will utilize the fluids contained within the Facility, as follows:

- Rosa Unit #552 (APD No. Pending): anticipated spud date May 1, 2017;
- Rosa Unit #880 (APD No. Pending): anticipated spud date May 15, 2017;
- Rosa Unit # 652 (API No. 30-039-31324): anticipated spud date June, 2017;
- Rosa Unit #654 (APD No. 30-039-31327): anticipated spud date June, 2017;
- Rosa Unit #657 (APD No. 30-039-31329): anticipated spud date June, 2017.

6. Drilling and completion of the Rosa Unit #552 alone will result in use of greater than 20 percent of the total fluid capacity, in compliance with NMAC 19.15.34.13(C).

7. WPX therefore requests an exception to NMAC 19.15.34.13(C) authorizing an additional six month extension through September 30, 2017, for the determination of cessation of operations for the Facility.

8. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

9. Notice of this application will be sent to the surface owner.

WHEREFORE, WPX Energy Production, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 2017, and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

jlkessler@hollandhart.com

**ATTORNEYS FOR
WPX ENERGY PRODUCTION, LLC**

CASE 1564:

Application Of WPX Energy Production, LLC For An Exception to NMAC 19.15.34.13(C), Rio Arriba County, New Mexico. Applicant seeks an order (1) granting an exception to NMAC 19.15.34.13(C); and (2) permitting an extension of the Division District Office's determination of cessation of operations for an additional six months for its Recycling Facility and Recycling Containment ("Facility") located in Section 30, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. The subject acreage is located approximately 33 miles east of Aztec, New Mexico.